

July 03, 2025

Jupiter Life Line Hospitals Limited: Long-term rating reaffirmed and outlook revised to Positive; short-term rating upgraded to [ICRA]A1+; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short-term – Fund based – Overdraft	35.00	45.00	[ICRA]A1+; upgraded from [ICRA]A1 and assigned for enhanced amount
Long-term – Non-fund based – Bank guarantee	5.10	5.10	[ICRA]A+ (Positive); reaffirmed and outlook revised to Positive from Stable
Long-term – Fund based – Term loan	-	350.00	[ICRA]A+ (Positive); assigned
Short-term – Non-fund based – Bank guarantee#	(19.50)	(43.00)	[ICRA]A1+; upgraded from [ICRA]A1 and assigned for enhanced amount
Short-term – Non-fund based – Letter of credit#	(20.00)	(20.00)	[ICRA]A1+; upgraded from [ICRA]A1
Long-term – Non-fund based – Capex LC#	-	(200.00)	[ICRA]A+ (Positive); assigned
Total	40.10	400.10	

*Instrument details are provided in Annexure I; # Sub limit

Rationale

The upgrade in the short-term rating and revision of outlook to Positive from Stable of Jupiter Life Line Hospitals Limited (JLHL/company) factor in the sizeable increase in scale of operations and continued expansion of operating margins in FY2025, on the back of healthy operating metrics across its hospitals and ICRA's expectations that the company's strong performance would sustain going forward. The ratings also continue to factor in JLHL's established market position and extensive experience of promoters, along with the company's demonstrated track record in the healthcare industry. The ratings also derive comfort from JLHL's strong credit profile backed by the stable performance of its mature hospitals and the ramp-up of its hospital in Indore. Further, ICRA also notes that JLHL operates three multi-specialty hospitals and offers diverse tertiary care services with no major revenue concentration from a single specialty. The ratings remain supported by the favourable demand outlook for healthcare services in the country due to factors such as better affordability through increasing per-capita income, widening medical insurance coverage and growing awareness as well as under-penetration of healthcare services.

JLHL witnessed robust revenue growth of 18.0% in FY2025, while its operating profit margin (OPM) improved to 23.5% in FY2025 from 22.3% in FY2024, aided by improvement in scale of operations and sequentially better operational performance. Despite bed additions at the existing hospitals, JLHL's profitability was strong, supported by higher occupancy rates and healthy ARPOB growth on the back of improving case and specialty mix. Going forward, with further ramp-up of operations in the Indore and Pune hospitals, along with steady revenues from the Thane hospital and continued operating leverage benefits, the OPM is expected to remain healthy in FY2026. However, commencement of operations at the Dombivli hospital in FY2027 is expected to have some bearing on the company's overall profitability in the initial years of operations.

The ratings also consider the sizeable capex plan of Rs. 1,100-1,200 crore over the next three fiscals towards the construction of three greenfield facilities in Dombivli, Pune and Mira Road. ICRA notes that capex will be funded through a mix of internal accruals, existing cash balances and debt. The ratings also consider the geographical concentration of revenues, with a substantial portion being derived from the company's existing hospitals in Thane and Pune. JLHL will continue to derive sizeable revenues from Maharashtra with the upcoming hospitals in Dombivli, Pune and Mira Road. JLHL, in line with other industry

players, is exposed to stiff competition from other organised players and regulatory risks pertaining to any restrictive pricing regulations imposed by India's Central and state governments.

The Positive outlook on the long-term rating reflects ICRA's expectations that JLHL's credit profile will remain healthy. While near-term profitability may be impacted by the commencement of operations at the upcoming Dombivli hospital, the overall financial profile is expected to remain strong. Further, the outlook underlines ICRA's expectations that the entity's incremental capex, if any, to further expand the capacity will be funded in a manner that it is able to durably maintain its healthy debt protection metrics.

Key rating drivers and their description

Credit strengths

Established brand position with experienced promoters – JLHL operates three multi-specialty hospitals in Thane (commenced in July 2008), Pune (June 2017) and Indore (acquired in November 2020) and has an established presence in Western region. With an operational track record of over 20 years in the tertiary healthcare segment, JLHL benefits from the strong brand reputation and extensive experience of the promoters in the healthcare industry. As of March 2025, JLHL has a combined bed capacity of more than 1,000 and is one of the leading players in the Thane region. The company plans to increase its bed capacity to around 2,500 beds (from current operational 1,061 beds) over the medium term, which will further strengthen its market position.

Strong Financial profile – The company's operating profits continuously grew over the last six years, except FY2021, which was impacted by the Covid-19 pandemic-induced restrictions. The operating margins improved to 23.5% in FY2025 from 22.3% in FY2024, driven by strong performance across its hospitals. Despite bed additions at the existing hospitals, JLHL has sustained its operating profitability in FY2025, supported by higher occupancy rates and growth in ARPOB. JLHL's capex plans of Rs.1,100-1,200 crore over the next three fiscals will be funded by mix of debt and internal accruals, aimed at expanding its bed capacity to around 2,500. With the capex being funded partially by debt, JLHL's TD/OPBITDA is expected to moderate at 1.3 times in FY2025 but remain healthy going forward. However, any further sizeable organic growth opportunities which may involve sizeable debt addition will remain monitorable.

Healthy long-term demand outlook for the healthcare industry – Over the longer term, increasing incidence of lifestyle diseases in India, coupled with factors such as better affordability, widening medical insurance coverage, growing awareness and under-penetration of healthcare services are expected to benefit the company and the industry at large.

Credit challenges

Geographical concentration risk – The company faces high geographic concentration for its existing hospitals at Thane and Pune, contributing the majority of revenues in FY2025. While the ramp-up of operations in the Indore hospital is expected to reduce the concentration risk to a certain extent, with upcoming hospitals in Dombivli, Pune and Mira Road, the company will continue to derive sizeable portion of revenues from Maharashtra.

Sizeable capex plan towards new facilities likely to result in steady decline in liquidity levels – JLHL has a planned capital outlay of Rs.1,100-1,200 crore over the next three fiscals, which will majorly be toward the construction of three greenfield facilities in Dombivli, Pune and Mira Road. The capex will be funded through a mix of internal accruals, existing cash balances and debt. Given the sizeable capex for these facilities, the liquidity is expected to decline over the next two to three years. Going forward, the timely commencement of operations and the trajectory of ramp-up at these new facilities, along with its impact on the company's overall financial profile, will remain key monitorable factors.

Stiff competition – The hospital industry is highly competitive with many established organised chains. The hospitals encounter stiff competition from existing regional players and local multi-specialty clinics. However, the Group's established brand position, coupled with a strong infrastructure, is likely to mitigate competition to a certain extent.

Exposed to regulatory risks inherent in the sector – Going forward, regulatory risks pertaining to restrictive pricing regulations levied by the Central and state governments and stricter compliance norms could constrain the Group’s profit margins.

Environmental and social risks

Environmental considerations: JLHL does not face any major climate risk. However, the company needs to comply with environmental laws and regulations pertaining to handling and disposal of biomedical specimens, wastewater, infectious and hazardous waste. Further, energy consumption by large medical equipment with emissions could pose environment risk. To mitigate this, the company focuses on building energy-efficient projects and purchased five wind turbines for its Thane and Pune hospitals with the primary aim to reduce carbon footprints and energy costs. The e-waste generated is systematically sent for recycling and safely disposed through authorised handlers, ensuring compliance with regulations and minimising environmental impact.

Social considerations: Exposure to social risk is moderate for the company. Social risks include litigation exposure and standard compliance requirements, given the importance of the service being provided. Further, regulatory interventions such as price-control measures, imposition of restrictions, if any, specifically levied, could impact the company’s earnings

Liquidity position: Strong

JLHL’s liquidity profile is strong, supported by its unutilised working capital limits of around Rs. 32 crore as on March 31, 2025, along with positive cash flows from operations. It is further supported by free cash and liquid investments of Rs. 597.2 crore as on March 31, 2025. Further, the company is expected to generate healthy cash flows, which, coupled with its existing liquidity position should meet the funding requirement of the planned capex over the medium term of Rs. 1,100-1,200 crore for FY2026-FY2028. The capex will be funded through a mix of internal accruals, existing cash balances and debt.

Rating sensitivities

Positive factors – The ratings could be upgraded, if the company demonstrates a sustained improvement in its scale and earnings while maintaining its comfortable credit metrics and liquidity position on a sustained basis.

Negative factors – Pressure could arise due to a deterioration in the margins or an increase in the leverage. A specific trigger for a rating downgrade could be TD/OPBDITA of more than 2.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Hospitals
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Jupiter Life Line Hospitals Limited. As on March 31, 2025, the company had three subsidiaries, details of which are enlisted in Annexure-II.

About the company

JLHL, incorporated in 2002, operates three hospitals at Thane, Pune and Indore. The company owns and operates multi-specialty tertiary care hospitals. All three hospitals function on an all-hub-no-spoke model with each being a full-service facility, operating independently and serving the healthcare needs of patients, including diagnostics, surgery and rehabilitation. All three hospitals are located on land owned by the company, on a freehold basis. The company is also constructing three new hospitals, one each in Dombivli, Pune and Mira Road.

JLHL has built a hotel with over 22 rooms and a convention centre adjacent to the Thane hospital, which commenced operations on April 1, 2010. The hotel's operations and maintenance are handled by Fortune Park Hotels (FPH), a wholly owned subsidiary of ITC Ltd.

Key financial indicators (audited)

JLHL consolidated	FY2023	FY2024	FY2025
Operating income	892.5	1,069.5	1,261.5
PAT	72.9	176.6	193.5
OPBDIT/OI	22.6%	22.3%	23.5%
PAT/OI	8.2%	16.5%	15.3%
Total outside liabilities/Tangible net worth (times)	1.7	0.1	0.4
Total debt/OPBDIT (times)	2.3	0.0	1.3
Interest coverage (times)	4.8	9.0	28.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	July 03, 2025	Date	Rating	Date	Rating	Date	Rating
Fund based – Overdraft	Short-Term	45.00	[ICRA]A1+	Feb 03, 2025	[ICRA]A1	Mar 28, 2024	[ICRA]A1	Feb 03, 2023	[ICRA]A2+
Non-fund-based limits	Long Term	5.10	[ICRA]A+ (Positive)	Feb 03, 2025	[ICRA]A+ (stable)	Mar 28, 2024	[ICRA]A+ (Stable)	Feb 03, 2023	[ICRA]A (Stable)
Unallocated limits	Long term/ Short Term	0.00	-	-	-	-	-	Feb 03, 2023	[ICRA]A (Stable)/ [ICRA]A2+
Non-Fund Based – Bank Guarantee*	Short Term	(43.00)	[ICRA]A1+	Feb 03, 2025	[ICRA]A1	Mar 28, 2024	[ICRA]A1	-	-
Non-Fund Based – Letter of Credit*	Short Term	(20.00)	[ICRA]A1+	Feb 03, 2025	[ICRA]A1	Mar 28, 2024	[ICRA]A1	-	-
Fund based – Term loan	Long term	350.00	[ICRA]A+ (Positive)	-	-	-	-	Feb 03, 2023	[ICRA]A (Stable)
Non-Fund Based – Capex LC*	Long term	(200.00)	[ICRA]A+ (Positive)	-	-	-	-	-	-

*Sublimits

Complexity level of the rated instruments

Instrument	Complexity indicator
Short Term – Fund Based – Overdraft	Simple
Long term – non fund Based – Bank Guarantee	Very Simple
Long Term – Fund based – Term loan	Simple
Short term – Non-Fund Based – Bank Guarantee	Very Simple
Short term – Non-Fund Based – Letter of Credit	Very Simple
Long Term – Non-Fund Based – Capex LC	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Short Term – Fund Based – Overdraft	NA	NA	NA	45.00	[ICRA]A1+
NA	Long term – non fund Based – Bank Guarantee	NA	NA	NA	5.10	[ICRA]A+ (Positive)
NA	Long Term – Fund based – Term loan	FY2025	7.50%	FY2040	350.00	[ICRA]A+ (Positive)
NA	Short term – Non-Fund Based – Bank Guarantee*	NA	NA	NA	(43.00)	[ICRA]A1+
NA	Short term – Non-Fund Based – Letter of Credit*	NA	NA	NA	(20.00)	[ICRA]A1+
NA	Long Term – Non-Fund Based – Capex LC*	NA	NA	NA	(200.00)	[ICRA]A+ (Positive)

Source: Company; * Sub limit

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	JLHL ownership	Consolidation approach
Jupiter Hospital Projects Private Limited	96.56%	Full consolidation
Jupiter Hospital Pharmacy Private Limited	95.00%	Full consolidation
Medulla Healthcare Private Limited	100.00%	Full consolidation

Source: Company annual report FY2025

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